

COMMONWEALTH OF KENTUCKY
BEFORE THE UTILITY REGULATORY COMMISSION

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In the Matter of:

RED WING UTILITY COMPANY, INC. APPLICATION)
AND PETITION FOR AN ORDER ADJUSTING RATES FOR) CASE NO. 7568
SEWERAGE TREATMENT FACILITIES LOCATED IN:)

1. GATEWAY SUBDIVISION, MARSHALL COUNTY
2. GOLD ACRES SUBDIVISION, MARSHALL COUNTY
3. BLANDVILLE ESTATES, McCRACKEN COUNTY
4. GREEN ACRES SUBDIVISION, McCRACKEN COUNTY
5. FIELDMONT ESTATES, McCRACKEN COUNTY
6. HOLIFIELD ESTATES, GRAVES COUNTY

INTERIM ORDER

Preface

On September 5, 1979, Red Wing Utility Company, Inc. (Applicant) filed an Application with this Commission seeking authority to increase its rates for sewage treatment in the Gateway, Golden Acres, Blandville, Green Acres, Fieldmont Estates, and Holifield Estates Subdivision (Subdivisions).

The matter was set for hearing at the Commission's offices in Frankfort, Kentucky on November 29, 1979. All parties of interest were notified with the Consumer Protection Division of the Attorney General's Office; the Bank of Benton and others in the Gateway-Draffenville area of Marshall County, by counsel; the residents of Golden Acres Subdivision, by counsel; the residents of Holifield Heights Subdivision, by counsel; Roland Estates, Inc., by Mr. T. W. Rodgers, Secretary, Blandville Estates, by Mr. Gene Hardman; and Green Acres Subdivision, by Mr Paul VanStone; permitted to intervene in this matter.

Motions to Dismiss this matter were filed November 27, 1979 by the Consumer Protection Division of the Attorney General's Office and by the Bank of Benton and others in the Gateway-Draffenville area of Marshall County. Oral arguments on these Motions were heard by this Commission on November 29, 1979

Findings In This Matter

This Commission, after consideration of all motions pending, the evidence of record herein and oral arguments presented by all parties hereto and being advised is of the opinion and finds as follows:

1. That the portion of the Motion of the Division of Consumer Protection dealing with the time span from the end of the Test Period to the date of filing (Motion-Item 1) should be overruled.

2. That the Applicant should file with the Commission the following for each of the treatment plants it operates:

(a) A copy of a valid third-party beneficiary agreement as required by 807 KAR 25:060, Section 3(2)(a).

(b) A comparative income statement as required by 807 KAR 25:060, Section 3(2)(b).

(c) A detailed analysis of any expenses contained in the comparative income statement which represent an allocation or proration of the total expense as required by 807 KAR 25:060, Section 3(2)(c).

(d) A detailed Depreciation Schedule as required by 807 KAR 25:060, Section 3(2)(d).

(e) Copies of all contracts entered into by the Applicant as required by 807 KAR 25:060, Section 3(2)(e).

(f) A description of the Applicant's property and facilities as required by 807 KAR 25:060, Section 3(2)(f).

(g) A detailed customer listing as required by 807 KAR 25:060, Section 3(2)(g).

(h) A projection as to the anticipated increase in customers for 1980, 1981, and 1982.

(i) A copy of the Applicant's tax returns for 1977, 1978, and 1979.

(j) A complete explanation of the Applicant's business relationships with any other parties or businesses as required by 807 KAR 25:060, Section 3(2)(j).

(k) Copies of all outstanding notes, to be accompanied by a description outlining the reason for the indebtedness and the disposition of all funds generated by the notes.

3. That the Applicant should file with the Commission all of the information requested in Finding No. 2 for the Highland Club Estates Subdivision Sewage Treatment Plant which it operates in Graves County, Kentucky.

4. That those sections of intervenors Motions to Dismiss that are not addressed by this Order should be deferred and considered in future Orders of the Commission in this matter.

5. That the Applicant should file all information requested in this Order within thirty (30) days of the date of this Order.

6. That if the Applicant should fail to supply the information requested herein by May 21, 1980, this matter should be dismissed.

Orders In This Matter

The Commission, on the basis of the matters hereinbefore set forth and the evidentiary record in this case:

HEREBY ORDERS that the portion of the Motion of the Division of Consumer Protection dealing with the time span from the end of the Test Period to the date of filing (Motion-Item 1) is overruled.

IT IS FURTHER ORDERED that the Applicant shall file with the Commission the following for each of the treatment plants it operates:

(a) A copy of a valid third-party beneficiary agreement as required by 807 KAR 25:060, Section 3(2)(a).

(b) A comparative income statement as required by 807 KAR 25:060, Section 3(2)(b).

(c) A detailed analysis of any expenses contained in the comparative income statement which represent an allocation or proration of the total expense as required by 807 KAR 25:060, Section 3(2)(c).

(d) A detailed Depreciation Schedule as required by 807 KAR 25:060, Section 3(2)(d).

(e) Copies of all contracts entered into by the Applicant as required by 807 KAR 25:060, Section 3(2)(e).

(f) A description of the Applicant's property and facilities as required by 807 KAR 25:060, Section 3(2)(f).

(g) A detailed customer listing as required by 807 KAR 25:060, Section 3(2)(g).

(h) A projection as to the anticipated increase in customers for 1980, 1981, and 1982.

(i) A copy of the Applicant's tax returns for 1977, 1978, and 1979.

(j) A complete explanation of the Applicant's business relationships with any other parties or businesses as required by 807 KAR 25:060, Section 3(2)(j).

(k) Copies of all outstanding notes, to be accompanied by a description outlining the reason for the indebtedness and the disposition of all funds generated by the notes.

IT IS FURTHER ORDERED that the Applicant shall file with the Commission all of the information requested in Finding No. 2 for the Highland Club Estates Subdivision Sewage Treatment Plant which it operates in Graves County, Kentucky.

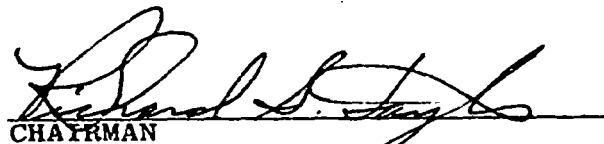
IT IS FURTHER ORDERED that those sections of the intervenors Motions to Dismiss that are not addressed by this Order shall be deferred and considered in future Orders of the Commission in this matter.

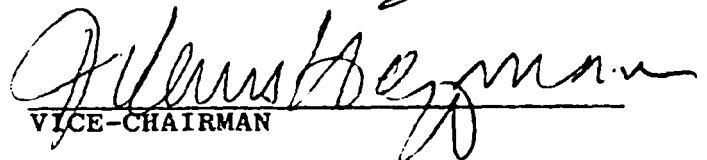
IT IS FURTHER ORDERED that the Applicant shall file all the information requested in this Order within thirty (30) days of the date of this Order.

IT IS FURTHER ORDERED that if the Applicant fails to supply the information requested herein by May 21, 1980, then this matter shall be dismissed without any further notice to the Applicant.

Done at Frankfort, Kentucky, this 21st day of April, 1980.

UTILITY REGULATORY COMMISSION


CHAIRMAN


VICE-CHAIRMAN


COMMISSIONER

ATTEST:

SECRETARY